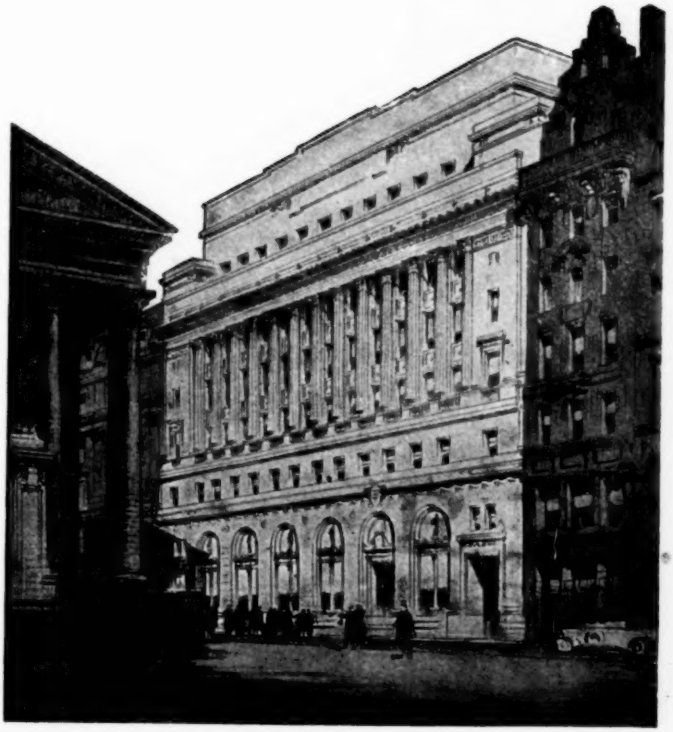

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**** The Bank publishes from time to time in this Monthly Review signed articles by exponents of different theories on questions of public interest. The Bank is not necessarily in agreement with the views expressed in these articles.*

Navigation Laws, 1849-1933

By Professor J. H. Clapham

THIS country is now a tariff country, and whatever one may think of the merits of a protective system or of particular items in the new tariff schedules, if history teaches anything at all, it teaches that a country which has once adopted any sort of general tariff does not abandon it easily or soon. Indeed, no one would wish that it should; for probably the most determined free-trader will allow that quick alternations of tariff and no tariff would be more disturbing to trade than a tariff itself. History also shows that there has seldom been a country with a serious tariff which had not also something in the way of what we used to call navigation laws, laws intended to give some special encouragement or protection to shipping comparable with that which the tariff gives to industry. When you do not like such encouragement you call it " artificial "; but that is a question-begging term, for unhappily peace is no more " natural " than war, nor *laissez faire* more " natural " than governmental " interference." It is reasonable, therefore, to ask what prospect there is of a return to navigation laws in England and to what kind of navigation laws, if any, it is conceivable that she might return. The question can be asked quite independently of the questioner's personal like or dislike of such laws: it can be raised as a problem in politico-economic possibilities. It suggests a preliminary inquiry into our old navigation laws and the circumstances of their repeal in 1849, a repeal which was

supplemented by the Act of 1854 which threw open even our coasting trade to foreign shipping.

It is interesting to recall that the laws were abandoned when the supremacy of our merchant navy on the seas of the world was being challenged more seriously and more "naturally" than it is to-day. To-day the trouble comes mainly from subsidized foreign merchant fleets. " If it had not been for the expansion of tonnage under foreign flags," Sir Archibald Hurd wrote recently, " there would be no shipping crisis " ; and without subsidies and the policies associated with them that expansion would have been modest. In the 'forties of the nineteenth century the challenge came from the protected, but not subsidized, wooden merchant shipping of America, those Yankee clippers which were in their day perhaps the finest ships afloat, as their skippers were said to be the best seamen. Between 1820 and 1845 the American merchant navy grew fast ; the British grew slowly. American growth was so rapid in the 'forties that in his message to Congress in 1847, President Polk said proudly that, if it continued at the existing rate, " the time is not distant when our . . . commercial marine will be larger than that of any other nation in the world." Although he spoke as a politician, there were good economic grounds for his forecast.

Down to 1847, in spite of the strength of the free-trade movement in England, the "navigation system" had been very little criticized. The laws had been revised by Huskisson and the last of the long series of acts " for the encouragement of British shipping and of navigation " was passed so late as 1845—without discussion—just before Peel made up his mind to abandon the corn laws. One reason why the system had been little criticized was that parts of it were almost obsolete. The famous clause directed originally against the Dutch carrying trade, the clause which prohibited the import of a certain list of European goods except in British ships or in ships of the country which produced them, had lost most of its importance with the relative decline of Dutch shipping. The Americans, who as rivals had taken the place of the Dutch, did not often want to carry between the Baltic or Bordeaux and England; and there was plenty of English, French, German and Scandinavian tonnage to do the work. Besides, the rule did not apply to goods brought here only to be warehoused and re-exported, not consumed; so if an

occasional cargo or consignment did come in an illegal ship the British merchant could arrange to re-sell it abroad.

Whether this almost obsolete clause would, in fact, have interfered with shipments of food to the United Kingdom during the period of the Irish potato famine (1846–8) it is impossible to say. Perhaps it would. Perhaps a few grain cargoes shipped from the Baltic or the Black Sea in Dutch or other "third party" bottoms might have been declared illegal. But since, to avoid all risk, the law was suspended at an early stage of the famine, its power was never tested. Suspension was easy. The Government had merely to permit any corn, or other foodstuffs, which might be warehoused in the United Kingdom also to be consumed there. The suspension, of course, made critics of state control of trade aware of the defects of the law in a time of difficulty, and so hastened its final abandonment. But it is most improbable that this particular experience would have been enough to bring about repeal. Happily famine was not likely to recur, and in ordinary times the restriction of food-imports to British or "producer" ships caused no inconvenience.

Neither did another part of the law, which came in for criticism when attention was called to it, give serious trouble in ordinary times. This was the clause which forbade the import of any produce of Asia, Africa, or America *via* a European port. Its objects had been to secure the "long haul" from the remote continents for British ship-owners—originally as against the Dutch—and to prevent England from becoming dependent for her supplies on any continental *entrepôt*. It was so old—nearly two hundred years old—that trade was normally adjusted to it. But now and then, when there was a shortage of some tropical or sub-tropical commodity in English markets—sugar, or coffee, or rice—the merchant was put to inconvenience because he might not fill up his stock from Hamburg or Rotterdam, but had to wait for the next cargo from the East or the West Indies. However, no one had ever advocated repeal on this account before 1846.

The backbone of the old law, and the part of it which has by far the greatest interest for the world of 1933, was its reservation of all inter-imperial trade to British ships built on British territory. From the beginning the word British had included colonial—" ships which truly and without

fraud belong to the people of this Commonwealth or the Plantations thereof," as the original law had put it. By 1845 the growth of the American merchant navy had made the working of this essential part of the law rather more difficult than it had been when the thirteen Colonies were still Colonies. No ship from Salem or Nantucket might carry between Quebec or Barbados and England. As these Yankee vessels were often in the Saint Lawrence and the Caribbean Sea, no doubt they might sometimes have taken aboard cargoes, or part cargoes, for England, had they been allowed to do so. Yet here again there is not much evidence of serious hardship. For one thing, the people of the Canadian maritime provinces were themselves great shipbuilders and shipowners. Samuel Cunard was a Nova Scotian and so was Donald McKay, the man who, having migrated to the United States, built many of the most famous Yankee clippers. Such men had no objection to sharing the monopoly of the carrying trade with British owners and no wish to admit the United States to partnership.

In South Africa, Australasia and India no real question arose. India had special trade rules of her own—she was still under the East India Company—which there is no need to discuss here. There were some complications with American ships, especially in the China trade, which was not, of course, properly imperial; but apart from them there was no likelihood that non-British ships would often want to sail between Sydney or Calcutta or Capetown and the Thames or the Mersey. British ships had made the trades and naturally they carried them on.

Some little difficulties did, however, arise between the home government and the Canadian and West Indian colonies—or, to be exact, certain bodies of opinion in them—over the general free-trade drift of British policy during the 'forties in its bearing on the navigation system. The heavy tariff preferences which the British customs system gave to imperial sugar and timber were being reduced, and those interested in these trades feared that they might be abolished, as in the long run they were, though not until after the repeal of the navigation laws. Peel's action in 1846 had already destroyed completely the old-established preferential treatment of Canadian corn. This was the more annoying to those interested in the corn export from British North America, because so recently as 1843 the duty on it in England had been

reduced to the nominal figure of 1s. a quarter, the duty on foreign corn remaining high. The abolition of the latter within three years could easily be represented as something like a breach of faith. Why should the Home Government, the same government—Peel's, hold out to the North American colonies the prospect of a secure protected market for their corn and then proceed to destroy the protection? Sugar and timber duties were also being cut and the margin for preference narrowed. Naturally enough, those who were connected with the British American timber, sugar and corn trades, and public bodies influenced by them, began to suggest that, if there was to be free trade and no preference in England, something was to be said for a free trade in shipping. Yankee competition in the imperial Atlantic carrying trade might keep down freights and so help colonial exporters to overcome the reduction or possible total loss of preference in the British market. Such opinions were not general in any colony. They were not shared by the Nova Scotian and other colonial shipowners. But they were expressed, and they began to be weighed by British ministers during the years 1846–7.

Meanwhile, ministers were being goaded into action by diplomatic pressure from European governments. The British colonial system was freer in its relation to foreign powers than that of either France or Holland, but the British navigation code was the strictest in Europe, and was also stricter than that of the United States. For a number of years, in connection with a long series of exceedingly intricate commercial treaties, foreign powers—and in particular several of the lesser German states, not yet united in a German Empire—had been bargaining for minor relaxations of our law. Concessions had been made to some of these states which had not been extended to Holland. This annoyed the Dutch, who were making themselves unpleasant diplomatically in 1846. During the same year Bunsen, the Prussian Ambassador in London, opened a regular diplomatic campaign for the abolition, or at least the modification, of the laws. Before his campaign was over, he was suggesting that, if we could not see our way to alter them, Prussia, acting for the whole German Zollverein, would probably feel obliged to imitate them. That was in 1848, when repeal had already been discussed at length in both Houses of Parliament and before select committees of both.

During 1847 the matter had also been taken up by the United States. Bancroft, their ambassador, suggested to Lord Palmerston that all restrictions on navigation might be abandoned on both sides by treaty. He made it clear, however, that the United States would not be prepared to abandon the monopoly of the coasting trade. Now a coasting voyage from Boston to San Francisco round the Horn is no shorter than a voyage from England to Australia. During the debates of 1848 and 1849 Gladstone, at that time a " Peelite " free-lance, compared these two trades very effectively. The coasting trade of England, he argued, was a local thing only comparable with that between, say, Boston and New York. What the Americans called their coasting trade was oceanic and strictly comparable with that between the various parts of the British Empire. We ought therefore, he concluded, to bargain on the matter and not to throw open our imperial trade except in return for the opening of their coasting trade. But he found himself in a minority. In retrospect his argument seems weighty ; though it may be doubted, considering the efficiency of the American mercantile marine at that time, whether, if the long American coasting trade had been thrown open to England, English ships would have taken an important part in it. The principal argument against the policy suggested by Gladstone was one used by Peel—that to proceed by way of bargain and treaty would perpetuate the existing tiresome diversity of rules affecting ships and their cargoes : an American ship could do this, a Dutch ship might not do that, and so on. In view of the general free-trade drift of his own and his successors' policy ; in view of the risks of retaliation from foreign powers and the grumbling from colonies which were losing their preferences ; and in view of what he called the " mutilated and shattered state " of the law as it now stood, he favoured a clean sweep. In support of his argument the free-trade leaders, men like Bright and Cobden, pointed out that English ships were doing good business in trades where the law gave no assistance, since in them they had to face the competition of legal " producer " ships—in the direct trades with the United States and the Baltic for example ; and that there was no sound reason for thinking that they would suffer, and every reason for thinking that the British merchant and the British consumer would gain, if the whole country were given freedom to use all the world's available shipping at all times and on any

route. These liberal opinions prevailed and the laws went, though in the House of Lords the majority against them was narrow.

So long as the American merchant navy remained a growing rival of the British, it is very improbable that the reservation of the imperial trade, or any of the other navigation law devices, would have stimulated British shipping effectively, though they would have protected it a little. If the Americans had been kept out of the Canadian and West Indian trades they would presumably have become keener and more dangerous competitors in the trade which no navigation law had ever forbidden to any foreign power—the direct trade in their own and in British produce between the United Kingdom and their own harbours. During the 'forties and 'fifties this was the most important of all ocean trades. American cotton and wheat and tobacco, English manufactures of every kind crossed the Atlantic in steadily increasing volume. America was still only partially industrialized and was a great buyer of heavy half-manufactured English goods, such as pig- and bar-iron, besides all the finer finished manufactures. She had no worsted industry and got all her worsteds from Yorkshire; no tinplate industry and got all her tinplate from South Wales. While the laws remained in force, great quantities of these English goods were carried out in American ships. Refusal to let them take an occasional cargo from Liverpool to Quebec would only have made them bid more resolutely—one may assume—for the New York cargoes. And as it was a general opinion in the Liverpool of the 'forties that the best American ships and sea-captains were better than ours, the bids would probably have been accepted.

The great development of the Australian trade which followed the discovery of gold there shortly after the repeal of the navigation laws showed that there was plenty of room on the globe both for the American and the British navies. Naturally most of the new Australian trade went to British shipowners, though some of the best ships in it were built for them in America—a significant fact. President Polk's optimism was premature in 1847; but by 1860 the shipping tonnage of the United States engaged in foreign trade and the whale fisheries was more than half that of the United Kingdom. Besides that there were all the coasting and river ships and those which navigated the great lakes. Of the total tonnage frequenting the ports of the United Kingdom in 1860 more than

40 per cent. was foreign—the percentage had never been so high—and of this percentage a great part was American. It looked as if another decade or two might see President Polk's forecast realized.

But America's ocean shipping was nearly all under sail and very nearly all of wood; and the Civil War of the 'sixties, disastrous for that shipping, coincided precisely with the beginning of the end of the sailing ship and of the wooden ship. For more than twenty years before 1865 there had been iron steamers and a certain number of iron sailing ships. Lloyd's had issued rules for the survey and rating of iron ships in 1855. Even the first experiments with steel ships had been made. But when, in 1865, the sailing tonnage of the United Kingdom reached its absolute recorded maximum of 4,936,776, by far the greater part of it was wooden throughout or, at most, composite, wood on an iron frame. From 1865 the sailing tonnage fell off steadily in nearly all merchant navies, and the wooden sailing tonnage most steadily of all. It was in the building and handling of this doomed class of ship that the Americans had excelled. Great Britain which had been short of wood had plenty of iron and steel. America's iron and steel industries were a long way from tide-water. About 1860, when America had 2,550,000 tons of shipping in the foreign trade to the United Kingdom's 4,660,000 tons, there were still people who were wondering whether the abandonment of the navigation laws had not been made in too great a hurry; whether some part of them ought not to have been retained, if only for defensive or bargaining purposes. By 1870 all that was forgotten. Not much more than 30 per cent. of the tonnage frequenting British ports was now foreign, and the proportion went on dwindling for the next twenty-five years. Modern shipbuilding was a British craft throughout. From the iron paddle-steamer to the steel turbine-steamer, each important invention and each decided step forward was made here.

By 1895 the British monopoly position was without parallel in history. The home country owned nearly 9,000,000 tons of shipping, the whole Empire 10,750,000 tons. Two-thirds of this was steam tonnage and most of it was of iron or steel. Norway came next with 1,600,000 tons; the German Empire third with 1,500,000 tons; France fourth; and the United States fifth, with only 838,000 tons registered for the foreign trade. Thirty years earlier the last remnant of the

navigation laws, the reservation of the coasting trade to British ships, had been thrown overboard without doing much injury to the British shipbuilder or shipowner; for, from that day to this, although the ships of all nations have been free to compete in this coastwise trade, their competition in it, in home waters, has always been negligible.

By 1910, when the British Empire tonnage had increased to 13,362,000—more than five-sixths of it steam—Germany had risen fast into the second place, with 2,904,000 tons, nearly all steam; Norway was third, with rather less than in 1895; France fourth with 1,452,000 tons, of which, however, only four-sevenths was steam. The tonnage of the United States, like that of Norway, was rather smaller than it had been in 1895. These figures, absolute and relative, were not much changed down to 1914.

The modern British mercantile marine had been built, and had secured its overwhelming supremacy, without either navigation laws or state assistance—except the ordinary mail contracts and the government loan to the Cunard in 1903 for the building of two Atlantic liners of unrivalled speed and efficiency. The last exception is, however, important. It was not exactly a shipbuilding bounty, but it was something very like one. Foreign critics, such as the late Herr Ballin of the Hamburg-America line, had some justification when they spoke of it as a turning point in the history of the relations between the British mercantile marine and the state. The new German merchant fleet had also grown without the help of anything that can fairly be called a navigation system. It was freely suggested at the time in England that the German lines were heavily subsidized and assisted in various other ways by the old imperial government. But the suggestions were overdone. The German lines had mail contracts, like ours, sometimes generous; and ships which desired them had to be German built. The tariff system was arranged so as to give the maximum of help to the shipyards, by the admission free of all materials and articles for the building or fitting out of ships—down to the table utensils for the dining saloons. The state railways gave special rates for the transport of shipbuilding materials. German diplomacy was at the disposal of the German companies; but there was no direct subsidizing of construction, or anything of that kind, and no regular legal preferences for German ships.

The Norwegian navy of 1895–1914 owed next to nothing to the state; the dwindling American navy not much. But America had—and has—never abandoned that definition of the coasting trade which so greatly interested Gladstone in the 'fifties; and it is quite likely that in the period of maximum British supremacy this valuable trade would have been invaded by British tramps—perhaps even by British liners—had it been open to them at law. Cheaply built and economically run steamers from the North-East Coast might have carried timber from American Gulf ports to New York or Californian wheat round the Horn to Boston.

It was in France, during the five-and-twenty years before the war, that navigation systems, ancient and modern, were most used. Like America, and unlike England, she had never abandoned the monopoly of the coasting trade. By a law of April 2nd, 1889, she declared Algeria to be French territory and the trade with it a coasting trade, so taking a step towards that national monopoly of the inter-imperial carrying trade which England had abandoned. She did not revive, after its abandonment in 1873, the *surtaxe de pavillon*, a special duty levied on goods imported under the flags of nations which did not produce them, and aimed at carrying nations like ourselves, just as our old rules against "third party" carrying had been aimed at the Dutch. But she retained, and still retains, the *surtaxe d'entrepôt* levied on non-European goods imported through non-French ports and aimed directly at the re-export trade of London or Hamburg, precisely as the "long haul" clauses of our navigation law had been aimed at the re-export trade of Amsterdam. Further, because between 1870 and 1890 the British and still more the German mercantile marine had grown while her own had fallen, she subsidized shipbuilding and navigation directly, and so helped to raise the tonnage of her merchant navy from 944,000 in 1890 to 1,452,000 in 1910.

Shipbuilding subsidies are ticklish things to handle and the French subsidy, under a law of 1892, had an odd result. By accident or intention it was so arranged as to favour the builders of sailing-ships; and between 1890 and 1900 French sailing tonnage actually grew faster than French steam tonnage, a unique development for a western nation at that time. The subsidy was perhaps not the reason for the maintenance of sailing tonnage: there was a real demand for

it in the short Mediterranean trades; but there is no doubt that the subsidy was mainly responsible for this rather untimely growth. The growth continued after 1900. Even in 1910, when the United Kingdom's sailing tonnage had been reduced to one-eleventh of the whole, the French sailing tonnage was no less than three-sevenths. The fact is that France, like America, had geographical difficulties to overcome before she could compete on anything like equal terms with this country in the building and "engining" of steel ships. Her northern coal-field is fairly near the sea but not so near as several British coal-fields. It is short both of iron-ore and of good coking coal. The iron-ores of Lorraine are not near coal-fields and are very far from tide-water. So the shipbuilding industry involved long overland hauls at various points—coke to iron-ore or iron-ore to coke; plates and angles and the materials or finished products for marine engineering to the shipyards; and so on. It was natural that a country with these geographical disabilities, and with an old and almost unbroken tradition of navigation law and shipping subsidy, should use both methods when she wished to reconstitute and modernize her mercantile marine after 1918.

The loan of 1903 by our government to the Cunard was partly due to considerations of prestige, the outcome of talk about the "blue ribbon of the Atlantic" and that sort of thing, as its critics said at the time; but the main reason for it was no doubt warlike, and in 1907 even the *Economist*, not a jingo and an undoubtedly free-trade journal, defended this method of providing "the fastest despatch cruisers afloat" for "Admiralty purposes." Such a defence obliges candid Englishmen to recognize ungrudgingly the perfect right of other nations to spend money on their mercantile marines for what used to be called "reasons of state." Whether the reasons are good ones is their affair, not ours.

And the popularity of the word "key-industry" among ourselves during the last fourteen or fifteen years compels us not merely to recognize, but to sympathize with, the wish of countries otherwise powerful and well-equipped economically, but inadequately served by their own "naturally produced" shipping, to adopt any "artificial" devices which they can afford as an insurance policy against what inevitably seems to them an undue and humiliating dependence on British shipping in times of emergency. We may regret that the

emergency most in their minds is that of war, but we cannot be surprised that it should be so. And while many of us are pressing our government to lend a hand with the two Cunarders of 1932–3—for reasons of employment, and perhaps once more for reasons of prestige—we must allow that those reasons also for government " interference " with shipbuilding are at least legitimate. We have to remember, too, the very considerable loans made by our government for shipbuilding and shipyard equipment under the Trade Facilities Acts since 1921.

So we come back to the question—in a changed world, with its loans, tariffs, subsidies, and variants of the old navigation policies, what rights or opportunities—or, if you like, what temptations—has this country to revive such policies? Her rights can be briefly dismissed. If she chose to reintroduce a complete old-fashioned navigation code, few of her neighbours would be entitled to complain. (Perhaps the Norwegians and the Dutch might be so entitled, for they have retained reasonably liberal policies; but not many others.) If she thought that any form of retaliation against subsidized liners would help her, no one's rights would be thereby infringed. If by treaty with Canada—the only possible constitutional method, as things now are—she were to close the Anglo-Canadian trade to all but British Empire shipping, that, as they say, would be that. If the Government of India were to exclude Japanese ships from the coastwise trade there could be no objection: an Indian or English ship may not carry coastwise to Japan. Trade between San Francisco and Hawaii, or even the Philippines, has been potentially American " coasting " trade since 1922;* so if Canada made a treaty with New Zealand, to which the rest of the Empire was admitted, there could be no possible objection to declaring the trade between Vancouver and Auckland to be a " coasting " trade of the British Empire. If we were to decide that particular classes of cargo, entering or clearing from British ports, were to be carried only in British bottoms we could probably find precedents somewhere in the legislation of our neighbours.

To some sections of the old laws there could be no great temptation to return. One section has not yet been mentioned because it was obsolete long before 1849—the section which

* The Philippines trade was not to become "coasting" trade until the President was satisfied that adequate shipping facilities had been established. I believe he has not so far issued the necessary proclamation.

obliged our colonies to send certain goods (sugar, tobacco, cotton and a few other things originally) only to the mother country. It is unlikely that we should ever wish to ask a Dominion to agree to such a rule by treaty, or to impose it on a Crown Colony; though if a rich deposit of pitchblende were found on St. Helena we might well be tempted to set up an imperial radium monopoly. That section of the laws which reserved the British coasting trade to British ships, the last section to be dropped, is not likely to be revived because British ships already have almost a monopoly of that trade, by their own efficiency. Even the threat to revive it would not be a useful bargaining point, because no foreign power would stand to lose much; though a threat to apply the rule in India might affect Japan.

A threat of discrimination by means of increased port dues, curtailment of port facilities, or some similar device against subsidized foreign liners trading between ports in the British Empire, or merely picking up traffic by calls at British ports, though technically very difficult to carry out, is much more likely to receive serious consideration if foreign powers continue their different types of subsidy policy or discriminations of any sort against British shipping. This is a bargaining counter which might have real value and one which this country would have every right to use if she thought its use expedient.

A revival of the old rule that only British-built ships might be put on the British register would have no great attraction or utility under existing conditions. We did buy foreign-built ships in the 'fifties of the nineteenth century, as has been seen: they were American built. To-day we do not. We sell British-built ships, new and second-hand, and have done so for a long time. If ever our port authorities do buy a foreign tug or dredger, or our shipowners an occasional foreign-built ocean-going vessel—I am not aware that they do, but they well may—it is because there is some very special need for it. With such purchases, if, in fact, they are made, it would be a mistake to interfere; and a threat of interference would not carry much weight abroad. Nor are treaties between Britain and the Dominions for the reservation of imperial trade very likely to be proposed; nor would they perhaps be very easy to negotiate. But they are far from impossible.

In short, except for some form of discrimination—amounting perhaps to exclusion—against foreign shipping, adopted as

an act of retaliation, the old types of navigation policy, though by no means all obsolete, seem not easily applicable to the problems of the British merchant navy to-day. British ships already do so much of the " long haul " business to this country, to take another aspect of the old law, that special and necessarily tiresome measures to get more of it for them are not likely to be demanded. This being so, and it being also quite certain that our shipbuilders and shipowners have not the least liking for navigation laws as such, nor any anxiety about foreign competitors except those who are heavily subsidized, the probability seems to be that, should heavy subsidizing go on, further pressure may be put on our Government to retaliate in kind and meet subsidy with subsidy, or at least with more loans and guarantees. The obvious objection to such policies is that they would do nothing to curtail world-tonnage ; they would rather tend to increase it. It is, of course, possible that other nations may tire of keeping up unprofitable and, from the world's point of view, superfluous shipping out of the taxes, as Australia has tired of her state-owned Commonwealth line and as most of the combatant nations tired of their war emergency fleets. But so far even what might almost be called a world full of unbalanced budgets has not put a stop to it. The French government has shown some anxiety about its commitments,* and as it is losing heavily on its state-owned or state-guaranteed railways, there is the possibility of cuts in all the transport subsidies. But the very fact that, in France, both railways and canals—not to mention roads—cost the state money, and are likely, so far as one can see, to go on doing so, would be a strong argument, in practical politics, against any drastic cutting down of the help given to shipping. And the national half-warlike sentiment, or, if you like, prejudice, in favour of an effective mercantile marine is exceedingly strong—not in France only by any means.

Perhaps the most interesting precedent is that of the sugar convention of the late nineteenth century. At that time nearly all European nations had given beet-sugar growing bounties (precisely as we have since the war!) and there had grown up a huge system of bounty-fed cheap sugar export.

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* France no longer gives direct building and navigation subsidies except for oil-tankers. Besides her mail contracts she operates mainly through a very complex system of maritime credits, somewhat like our Trade Facilities Acts loans, but more comprehensive.

This extravagant and unwholesome system was stopped by the convention, in which we participated in the interest of our sugar colonies—and at the expense of the British sweetstuff industry and of the consumer. Following this precedent, we might perhaps approach the other maritime powers with a suggestion for a shipping convention, indicating to them at the same time, with all the courtesy of which we were capable, for this is very delicate ground, that much as we should dislike to take a more active part in the beggar-my-neighbour game of subsidizing, it was at least a game which we were quite able to play; and that there were other games, suggested by our old navigation code, the rules of which we might be obliged to study in conjunction with the Dominions or in relation to the trade of the Crown Colonies, should the negotiations for a shipping convention break down. This was precisely the kind of suggestion which the Dutch, the Prussian, and, in a modified form, the American government made to us during the 'forties of the nineteenth century. Sir Robert Peel once said in the House of Commons, in the speech already quoted, that these foreign suggestions, these courteous threats, had influenced him quite as much as the colonial and other arguments when he decided to support the repeal of the navigation laws by the Whig government which succeeded him.

It is possible, as has already been suggested, that the cost of shipping subsidies may lead automatically to their curtailment, if not to that complete abandonment which, in view of all the circumstances, is most unlikely. Certainly the nations will not abandon mail contract subsidies: this nation least of all. Any curtailment of the more exaggerated types of subsidy would be to the good; for world-tonnage is redundant. Neglecting sailing tonnage altogether, there was an increase from 43,144,000 to 66,932,000 between 1914 and 1932. Of the 66,932,000 tons something like 15,000,000 is lying idle and much of the remainder is unprofitably employed. The scrapping of obsolete tonnage and a check to the output of new tonnage are much to be desired. Should the latter come "naturally," through enforced reduction of the sums now spent in shipping subsidies of one kind or another, this country would have no temptation to insist pedantically on the abandonment of the principle. It would not then be tempted even to whisper about conventions or navigation laws.

J. H. CLAPHAM.

Notes of the Month

The National Finances.—The budget was opened at too late a date to receive consideration in this issue of the Review, but it may be useful to place upon record the main items in the national accounts for the financial years 1932–33 and 1933–34. Taking first current revenue and expenditure, these are summarized in the following tables, which give both the original estimates and actual results for 1932–33, and also the budget estimates for 1933–34.

Revenue

	1932–33		1933–34
	Estimated	Actual	Estimated
	£ mn.	£ mn.	£ mn.
Income Tax	260·0	251·5	228·7
Surtax	66·0	60·7	51·0
Estate Duties	76·0	77·1	74·7
Stamps	23·0	19·2	20·4
Customs	174·6	167·2	168·0
Excise	125·4	120·9	101·2
Tax Revenue	732·0	704·7	652·0
Non-Tax Revenue	34·8	40·1	46·8
Ordinary Revenue	766·8	744·8	698·8
Self-Balancing Revenue...	82·1	82·2	83·5

Expenditure

	1932–33		1933–34
	Estimated*	Actual	Estimated
	£ mn.	£ mn.	£ mn.
National Debt Service	276·0	262·3	224·0
Payment to N. Ireland	6·8	7·0	6·7
Other Cons. Fund Services	3·5	3·3	3·6
Supply Services	468·8	458·3	463·2
Ordinary Expenditure	755·1	730·9	697·5
Sinking Fund	32·5	17·2	—
U.S.A. Debt Repayment	—	29·0	—
Self-Balancing Expenditure	82·1	82·2	83·5

* Includes supplementary estimates.

In view of the extensive and successful conversion operations executed during the past financial year, a table showing the

principal changes in the composition of the internal national debt is also added :—

(*a*) Old Debt repaid or converted—		£ mn.
5% War Loan	... ...	2,085·0
4½% War Loan	... ...	12·8
5% Treasury Bonds	... ...	114·6
4½ and 4% Treasury Bonds	... ...	223·9
Redemptions out of Sinking Fund	... ...	17·2
	Total ...	2,453·5
(*b*) New Debt created—		£ mn.
3½% War Loan	... ...	1,920·2
3% Conversion Loan	... ...	301·8
2½% Conversion Loan	... ...	5·0
3% Treasury Bonds	... ...	110·0
2% Treasury Bonds	... ...	150·0
	Total ...	2,487·0
(*c*) Increase in Floating Debt—		£ mn.
Treasury Bills	... ...	171·4
Ways and Means Advances	... ...	27·1
	Total ...	198·5
		£ mn.
(*d*) Increase in National Savings Certificates and National Savings Bonds	... ...	15·5

These items alone make the net increase in the internal National Debt one of £247·5 millions, while other changes raise the total increase to £255·0 millions. Among the various causes of this increase may be cited £150·0 millions issued by the Exchequer to the Exchange Equalization Account, £23·2 millions issued to cover the expenses (including bonus) of the War Loan Conversion, £33·8 millions issued to repay the balance of the Treasury's foreign credits outstanding on March 31st, 1932, and the December American debt payment of £29·0 millions. These four items alone total £236·0 millions, a figure which is comparable with the year's increase in the internal National Debt. It will be noticed that notwithstanding this increase, conversion operations and the fall in money rates have reduced the estimated cost of the National Debt service to £224 millions, compared with an estimated cost of £276 millions and an actual cost of £262 millions for last year.

The Money Market.—Money has remained very easy and abundant. The clearing banks have maintained their minimum

rate of 1 per cent. for short loans, but outside rates have frequently been as low as ¼ per cent., and at times balances have remained unlent. The weight of money has kept discount rates very low, the more so as there are relatively few commercial bills on offer, while the Government have each week been replacing Treasury bills by the new 2½ per cent. Conversion Loan. Up to April 21st, £36·6 millions of the latter had been allotted, with an equivalent reduction in the Treasury bill issue. Immediately after Easter, short-dated Treasury bills were bought by the banks at rates as low as ¼ per cent., while the rate on "hot" Treasury bills was only $\frac{11}{32}$ per cent. The unsettlement due to the American suspension of the gold standard caused London rates to stiffen temporarily, and the Treasury bills issued on April 21st were allotted at an average rate of 9s. 6·30d. per cent., but by the following week the rate on "hot" Treasuries had eased to ⅜ per cent. At the end of March the Bank of England's fiduciary note issue was reduced from £275 millions to its normal level of £260 millions. The immediate consequence of this change was to make an equivalent reduction in the Banking Department's Reserve of notes, for the note circulation was, of course, unaffected. The reduction was made because the heavy acquisitions of gold by the Bank since the New Year had expanded the Reserve to a size far greater than was required to support the present volume of bank cash and credit, and so the reduction in the fiduciary note issue and in the Reserve could be made without necessitating any contraction of credit, which in actual fact has not taken place. It may be added that the Bank is still free to seek authority to increase the fiduciary note issue at any time in the future, so that should heavy gold losses take place, no contraction in the Reserve or in credit need follow.

The Foreign Exchanges.—The most important event of the month was the decision, taken by the American Government on April 19th, to re-impose the prohibition upon the exportation of gold from the United States. This decision was extremely sudden, for even as late as the previous day the tendency was in the direction of the licensing of gold shipments and a modification of the exchange restrictions. It was, of course, equivalent to the suspension of the gold standard, and the New York exchange, which previously had weakened from \$3·43 on March 30th to \$3·49 on April 18th, jumped in two days to \$3·85. This sudden change affected all the leading exchange

rates, mainly in favour of sterling, and diverted a fair amount of money from the Continent to London, as being the most stable centre. Thus between April 18th and April 25th the Paris rate moved from Frs.87½ to Frs.88, the Belgian rate from belgas 24·67 to belgas 24·77, the Dutch rate from Fl.8·52 to Fl.8·62, and the Swiss rate from Frs.17·81 to Frs.17·94. Subsequently there was a marked recovery, due to covering by speculators. Reichsmarks developed some weakness at the time of the repayment in gold of the Reichsbank's foreign rediscount credit and the weakening of its gold reserves, but subsequently recovered until the Berlin rate weakened in sympathy with those on other Continental centres. The Stockholm rate has lately sagged owing to the appointment by the Swedish Government of an advisory committee of experts, which was believed to favour a policy of monetary expansion. Among Empire exchanges, the Montreal rate on London depreciated in sympathy with the New York rate from $4·12¾ on April 1st to $4·39½ on April 26th. Other Dominion rates are unchanged.

The Stock Exchange.—The gilt-edged market resisted very well the unsettlements of the American suspension of the gold standard, and prices recently have been only fractionally below their best of the month. Among foreign issues, German bonds developed serious weakness at the time of the rediscount credit repayment, but have since been steadier. Home railway stocks developed strength early in the month on the introduction of the bill implementing the second portion of the Salter Commission's report, but have since lost ground. Industrials have been steady and uneventful. The American suspension of the gold standard was followed by a very heavy fall in gold-mining shares. This was partly due to the rise of sterling against the free gold currencies and the fall in the London price of gold, but mainly because of fears as to the future world monetary policy, and in particular as to the future demand for and price of gold. This fall, however, only proved temporary, and by the end of April the ground so lost had been nearly recovered. Among the more specialized markets, rubber shares have improved in sympathy with a rise in the price of the commodity.

Overseas Trade.—The March trade returns are not very easy to compare with those of March last year. One cause of difficulty is that in 1932 Easter fell in March, while another

cause is that March last year was the first month of the new tariff, and so imports then were abnormally low. The returns for the first quarter of each year, summarized below, are free from these disturbing factors, and so provide a better picture of our position.

Description.	Jan.-Mar., 1932	Jan.-Mar., 1933	Increase (+) or Decrease (−)
	£ mn.	£ mn.	£ mn.
Total Imports	193·4	159·2	−34·2
Retained Imports	177·3	146·6	−30·7
Raw Material Imports	48·8	42·3	− 6·5
Manufactured Goods Imports... ...	46·5	34·8	−11·7
Total Exports, British Goods	92·3	89·7	− 2·6
Coal Exports	7·5	7·6	+ 0·1
Iron and Steel Exports	7·1	6·8	− 0·3
Cotton Exports	16·7	16·3	− 0·4
British Manufactured Goods Exports...	70·2	68·9	− 1·3
Re-exports	16·1	12·6	− 3·5
Total Exports	108·4	102·3	− 6·1
Visible Trade Balance	−85·0	−56·9	+28·1

It is clear from this table that the improvement in our adverse trade balance is being maintained, but at the cost of a heavy shrinkage in our total trade turnover. Exports are relatively good. A more detailed examination of the returns shows that there has been an increase in the volume of most of our textile exports, and a very big expansion in our exports of motor cars. Coal exports are maintained, but there has been a decline in those of iron and steel and machinery.

Home Reports

The Industrial Situation

Prior to the re-imposition of the prohibition upon gold exports from the United States and the consequent depreciation of the dollar exchange, the situation of British industry had undergone some improvement. The impending Trade Agreements with Germany and the Scandinavian Powers had made the outlook for the export coal trade a little more hopeful, while in the steel trade the exhaustion of stocks of imported material had been reflected in increased home production. There was some revival in shipbuilding and marine engineering, and also in constructional engineering, while electrical engineering was benefiting from fresh orders from India and South Africa. The situation in the cotton industry had deteriorated, partly because of the accumulation of heavy stocks of Japanese goods in India, but the wool industry was firmer and more active, and consumers were beginning to feel greater confidence in current prices. The March unemployment returns showed some improvement over February, and such general indicators as railway traffic receipts, and the total value of new building permits were also encouraging. On the other hand, retail trade in March was no better than in the previous year, and electricity consumption was slightly less than in February. The depreciation of the New York Exchange immediately after Easter is naturally affecting the whole background of trade, and at the moment it is impossible to forecast the new relation between the dollar and the pound. The immediate consequence was a sharp rise in American commodity and security prices, so much so that British primary commodity prices rose slightly as well, but as our own experience of the last quarter of 1931 and the first half of 1932 shows, it by no means follows that the American rise will be permanent. Much depends, in fact, upon the impending World Economic and Monetary Conference.

Agriculture

England and Wales.—The sunshine during the latter part of March benefited autumn-sown crops, and early drillings of spring corn were showing well. The planting of early potatoes has begun and the preparation of the land for sugar beet

was well forward. In spite of some losses owing to the severe weather at the end of February the fall of lambs among lowland flocks is up to average. Prospects for hill sheep are good. Stock progress was normal, and milk yields up to average.

Scotland.—With good weather continuing, work was very well forward and sowing and potato planting have been carried out under the most favourable conditions. The grain trade has been most disappointing. Potatoes have been in some request for seed purposes, but otherwise demand has not improved. At the leading livestock markets supplies have been ample and despite an improvement in quality, prices have been easier.

Coal

Hull.—There is a plentiful supply of all descriptions and prices generally are down to fixed minimums.

Newcastle-upon-Tyne.—Best steams have been in good demand but second steams, gas and coking coal are quiet. In every direction anxiety is felt for the ensuing summer months. Forward enquiries are scarce.

Sheffield.—Trade is no better, and the export market continues to be exceptionally quiet. Industrial fuels show slightly any improvement, and household grades are in poor demand.

Cardiff.—Prices are unchanged and stocks remain heavy. Considerable interest has been aroused by the announcement that the Italian State Railways are to resume imports of Welsh coal. It is reported that substantial orders have already been placed, and that shipments will begin next month.

Swansea.—The Canadian season has opened fairly strongly. Second brands of anthracite may, therefore, display a steadier tendency, but as yet there is no appreciable movement. Rubbly culm and duff show no improvement, but steam coals are in moderate demand.

East of Scotland.—In both Fife and the Lothians all classes of washed fuels continue weak. Navigation coal is unaltered, and steams are difficult to dispose of. With the milder weather house coal is meeting with a poor demand, and prices tend to ease all round.

Glasgow.—The home demand has been further curtailed by the advent of summer time, for gas and electricity works now require smaller supplies. In the absence of any improvement in foreign business, collieries are finding it increasingly difficult to avoid idle time. Short time working is, in fact, prevalent, especially in Lanarkshire which depends mainly on land sale. Plenty of coal is available in the export market for prompt shipment, and apart from washed singles and pearls, the scarcity of which is due largely to the difficulty in disposing of large coal, the market is weak.

Iron and Steel

Birmingham.—Home demand has further slackened and markets are dull. Prices for scrap are lower and no improvement in the heavy sections is reported.

Sheffield.—The general revival has been well maintained during the past month and the steel trade is far more promising. The total volume of orders in hand for home and export markets continues to grow, and there is a marked improvement in special steels. The market for heavy steel scrap is a little easier, but prices are firm.

Tees-side.—Business was affected by the Easter holidays, but confidence in the outlook remains unabated though trade is only developing very slowly. Foundry pig-iron is being steadily absorbed, and as makers have practically no stocks, prices are firm at recent levels. Manufacturers of East Coast hæmatite are still unable to dispose of their current production and the excessive stocks of iron at the blast furnaces are slowly increasing. Output of steel is maintained, and good tonnages of semi-finished materials are being produced. Finished steel, however, is quiet, and works are short of employment. Some improvement has occurred in the demand for rails, and following the receipt of bridge-building contracts in this district, better production of structural materials is anticipated.

Swansea.—Tinplate production still averages 63 per cent. of capacity and demand is fair. Steel production remains at 75 per cent. of capacity and prices are fair owing to the advance in the price of raw materials. No foreign bars for tinplates are now being imported into South Wales.

Glasgow.—Home demand shows practically no improvement and export trade, which was expected to expand in the spring, is disappointing. Works are consequently short of orders and are under-employed. An important order has been placed in the steel trade for 10,000 tons of material for a ship being built at Belfast and this work will be spread over about six months. Tube makers, sheet makers and producers of wrought iron and re-rolled steel are quiet. In the pig-iron trade demand is restricted, and only seven furnaces are in operation.

Engineering

Birmingham.—Light engineering firms continue to be moderately busy. The motor trade generally is very good. Demand is greatest for the light 9 and 10 h.p. cars which are much improved in design and accommodation. Overseas trade continues to expand. Pedal bicycle manufacturers are exceptionally busy, and demand shows no falling off.

Coventry.—Pedal cycle firms were fully employed over Easter and the motor industry is active on seasonal orders. Electrical engineering is doing well.

Sheffield.—There is a further improvement and a much more optimistic spirit prevails. Orders and enquiries are more numerous, but competition remains severe and prices low. Certain sections of the tool trade show seasonal activity and export trade is much better than in March last year.

Wolverhampton.—Conditions have again improved, particularly in the motor trade.

Glasgow.—Makers of sugar machinery have some fairly substantial orders for the Indian market and are better employed than most branches. Marine engineers have not so far benefited very much from the contracts recently placed with Clyde shipbuilders by shipowners and the Admiralty.

Metal and Hardware Trades

Birmingham.—Makers of metal smallwares appear to take a more hopeful view of the outlook, and enquiries have improved. The cold rolled brass and copper section is maintaining its position, prices of raw materials moving very little. Tube manufacturers report that owing to extensive undercutting by

Continental competitors it is difficult to obtain business in overseas markets, and no improvement in the export section has occurred. Home trade is not good, but local firms are obtaining their share of the regular business that is passing.

Sheffield.—In spite of the placing of a large Admiralty contract, the position in the cutlery and plate trades is unchanged, and depression prevails. Unemployment is prevalent in all sections, more particularly among makers of the best quality grades.

Wolverhampton.—Trade is still rather quiet, but more enquiries are being received and the outlook seems promising.

Cotton

Liverpool.—Quiet conditions, with values steady and showing no material change on last month's figures, have again prevailed, and at the time of writing prices are tending to rise. The steady tone manifested in a dull and featureless market may possibly be explained by the absence of contracts, hedge selling being very restricted in volume, and speculative operators unwilling to regard the existing price level as being favourable to "shorts." Deliveries to spinners remain discouraging and restricted spot sales indicate that production is tending to overrun requirements. It is interesting to note that Lancashire's repeatedly expressed plea for international action with a view to increasing the price of silver is to be one of the "common objectives" of the Prime Minister's "talk" with Mr. Roosevelt. American policy continues to dominate market sentiment to the exclusion of other considerations, and until this is more clearly defined, the value of the commodity is unlikely to show any marked variation. Statistics of world spinners' takings to date disclose a consumptive demand about equal to that ruling last season, which, taking into account the complexities of international politics and finance, is regarded as fairly good.

Wool

Bradford.—In the raw material section the tone is firm and consequently topmakers are more inclined to hold out for better prices. Spinners have been doing better of late both for home

and export requirements. In the piece-goods section manufacturers have been working full time to meet the seasonal demands for men's and women's wear.

Huddersfield.—There is very little change in the fine worsted trade, but business in woollen cloths is better and many mills are working overtime. Local unemployment figures, as compared with the previous month, show a contraction.

Hawick.—A more hopeful feeling is apparent in the Border tweed trade. There has been some increase lately in the demand for the better qualities of cloth, and wool prices are inclined to harden. The hosiery branch is moderately busy but demand for knitted woollen goods is rather subdued for the season. Dyers and spinners are no busier.

Other Textiles

Dundee.—The recent rise in the price of jute failed to stimulate interest in the fibre. Sellers were disinclined to operate, and there were no buyers at the advanced prices quoted. The easier tendency since Easter has not affected the position. Business in yarns and fabrics is restricted with prices steadier.

Dunfermline.—Manufacturers in the Fifeshire linen trade are only fulfilling immediate requirements. The cost of production does not permit of any lowering of prices and yet the absence of business makes it difficult to maintain values. Export trade is poor.

Clothing

Leeds.—Clothiers have been very busy, as is usual at this time of the year, and the fine weather has helped trade considerably.

Leather and Boots

Northampton.—There has been the usual pre-holiday rush of small orders for delivery for the Easter trade, but apart from this trade has not improved to any great extent.

Shipping

Hull.—Enquiry for tonnage is limited and consequently rates have remained at low levels.

Liverpool.—Tonnage for outward freights continues to offer in excess of requirements, with rates unchanged. Lack of business in the River Plate section depressed values, and with the exception of the West Indies, which remains steady, homeward trades have been without feature. It is expected, however, that the higher prices now ruling in commodity markets may tend to stimulate demand and thus restore more normal conditions in chartering—this despite the existence of ample tonnage in all branches of the trade.

Newcastle - upon - Tyne. — Business has been somewhat better, but rates remain unremunerative.

Cardiff.—Trade is quiet and unchanged, and with a poor general demand there is no improvement in sight.

East of Scotland.—There were over twenty vessels on loading turn at the Forth coaling ports towards the end of April. Other branches at the port of Leith have been dull and freights continue easy.

Glasgow.—Low rates of freight are still being quoted for coal tonnage, demand being quiet owing to the scarcity of f.o.b. orders and the lack of export trade. At the same time shipments of coal for the year to date are satisfactory when compared with the same period last year.

Foodstuffs

Liverpool.—Wheat prices, at the time of writing, show a tendency to appreciate, especially as regards forward positions; the value of May "options" rules firm at around 4s. 8d. World shipments have been of only fair volume, but Oriental demand is large and well sustained. American quotations reflect the view that inflationary legislation will eventually be adopted with a consequent resort to the buying of commodities. The market, too, has been influenced by the abnormally low estimate of the condition of American "winters," the yield of which harvest is expected to total little more than 360 million bushels, as against a 1932 crop of 100 million bushels in excess of that figure. The paucity of the Russian Spring crop is also a factor which tends to support the price level. Only a limited trade has been done in maize at declining prices; the United States, however, should find an increasing home demand for the cereal to satisfy the requirements of brewers. Flour has

again advanced in price, the ex-mills quotation for local basic grades now ruling at 21s. 6d. per sack. A feature of interest in grain circles was a resolution of the Liverpool Corn Trade Association (approved by the local Chamber of Commerce) recommending the duty-free admission of Empire grain, irrespective of the route by which it is consigned. Local interests are concerned that the advantages of cheap rates, via New York, though remaining open to Continental competitors, are denied to Merseyside, the largest port milling centre in the world. The market in Continental bacon has been extremely firm at higher prices; American descriptions have been scarce and hams dearer. Lard was in moderate request with little fluctuation in value. Butter prices have again fallen, the ruling low value being without precedent; consumption continues good, and supplies in excess of the demand. Rumours of restrictions on Colonial and Foreign imports are affecting market conditions; low retail rates, however, are needed to absorb existing supplies. In cheese, the retail price of which is low, trade has been disappointing; demand, however, has revived with the coming of warmer weather. In the canned goods section, meats were a moderate trade at unchanged rates, and fruits in better demand, with prices showing some slight advance.

Fishing

Brixham.—Conditions were normal for the first half of the period under review. More recently the fulfilment of foreign quotas caused a set-back in prices, and landings at the port also fell considerably.

Lowestoft.—Landings of British-caught fish in England and Wales during March amounted to 56,452 tons valued at £918,998, as compared with 60,485 tons to the value of £983,634 in March, 1932. The decrease was mainly due to a shortage of haddocks, but hake, halibut, skates and catfish all declined both in quantity and value. Plaice and prime fish were landed in increased quantities, but met with a poor demand. The value of foreign fish, landed in England and Wales decreased from £280,904 in March, 1932, to £276,788 in March of this year.

Penzance.—Trade has, on the whole, been good and mackerel fishing has been satisfactory. The fine weather has enabled the Cornish boats to go into deep sea and line fishing

has consequently been better. Prices have remained firm, and demand has been good.

Scotland.—With light landings, prices for line-caught fish have been well maintained.

Other Industries

Carpets.—Manufacturers are busy. Spool Axminster piece-goods, seamless squares and rugs are all in great demand, and Wiltons are also doing better owing to the assistance of the tariff. Trade with Scandinavia and Holland is good, and Australia and New Zealand show by their increasing purchases that they are recovering from the set-back of previous years.

Paper-making and Printing.—The export trade outlook in the Edinburgh paper-making industry appears slightly better, but both home and foreign demands are easily satisfied and short time is still fairly general. The seasonal improvement in printing continues, book printing in particular being more active.

Pottery.—Trade continues quiet with some slight improvement in exports to Australasia.

Timber.—Trade has been steady, the weather having helped the absorption of building timber and floorings for houses. The stocks held in the ports are lighter than for several years, and many sizes and qualities are becoming very scarce. Sales of timber at Public Auction Sales show very much improved figures. Sales to arrive have been heavy this year and 80 per cent. of the Russian stock and 50 per cent. of the Finnish and Swedish stocks have already been sold. The position of these forward sales is at the moment uncertain, as the Russian Goods (Import Prohibition) Act provides that no proceedings shall be taken in respect of the non-fulfilment of contracts occasioned by the proclamation of an embargo under the Act. Furthermore, it cannot be told how long the present embargo will remain in force. Importers consequently do not know whether to buy or to sell and it is to be hoped that the Government will give some indication soon as to their intentions. The Timber Distributers Limited, announced through their Chairman that they would not ask for a licence to import Russian Timbers which they had bought for this season's shipment, as they considered such action unpatriotic and they did not wish to embarrass the Government. Deliveries from stock have been heavier during April than at any time during the last two years.

Overseas Reports

Australia

From the National Bank of Australasia Limited

Internal trade shows some improvement over a year ago, but sales of winter and fashion goods have been retarded by the protracted summer. Unemployment is much less than it was two years ago. Strong competition has been in evidence at the recent wool sales. Prices are slightly higher, which may indicate an improvement in market conditions during the coming season. Useful rains have fallen in the Eastern coastal districts and in parts of the wheat districts, but many pastoral areas in the interior need early rain. Butter production has been severely checked in Victoria, but is expected to be maintained in the Northern States.

Canada

From the Imperial Bank of Canada

The completion of the first quarter of the year witnessed little change in general business conditions. There was no improvement in employment, steel production, or constructional activity. Interest centred in the re-opening of navigation and the approach of a new crop year, but there were few indications of any improvement in trade. Wheat prices continued to show moderate strength, and shipments were still being made on a considerable scale. The total volume of international trade is relatively small, but there is a fairly substantial favourable balance. The federal budget revealed a deficit of over $53 millions, with a net addition of $156 millions to the national debt. These figures are regarded as justifying previous apprehensions that the Government would find it easier to increase taxation than to reduce expenditure. The business and financial community on the whole approves the Government policy regarding the railways, debt, and other matters.

India

Bombay.—Fresh crop arrivals and a poor home and export demand combined to make the Bombay cotton market distinctly easier during March. The American banking crisis at the

beginning of that month temporarily dislocated business in foreign piece-goods, and all forward offers were for a time withdrawn. Subsequently higher prices were quoted, but very little business was booked. There was practically no enquiry for Manchester goods, and prices tended to weaken. Trade in Japanese goods was fairly brisk. Prices of local goods were irregular, and the turnover was very poor for the season of the year.

Calcutta.—The loose jute market was dull during early March, but conditions subsequently became steadier, and mills bought a fair quantity of low assortment. There was a fair amount of business in baled jute in early March, and prices improved, but demand later fell away and prices declined. The tea market is closed until June.

Rangoon.—There was practically no demand for rice during March, and prices fell to very low levels. The timber market was affected by the American crisis, but several enquiries for squares were received from the Indian railways. Demand for hardware is very limited and dealers expect no improvement before the monsoon. Therefore, although stocks are very low, they are not placing fresh orders.

Irish Free State

The railway strike, which affected lines north of Dublin, has been settled. The terms comprise a wage reduction of 7½ per cent. The new rates are to remain in force for two years. According to a recent report of the Department of Agriculture considerable headway has been made with the preparation of the land for root crops and with the planting of potatoes and sowing of cereals. Reserves of fodder were drawn upon to a considerable extent during March, and it is estimated that supplies will only just be sufficient to last until the grass season begins. Winter wheat has made good progress and spring wheat was sown under satisfactory conditions. In some districts, the area under oats and barley is larger than a year ago. Lambs are up to the average, but mortality has been greater than usual. The number of bacon pigs on offer is below normal, and it appears that breeding stocks are not being maintained.

France

From Lloyds & National Provincial Foreign Bank Limited

Imports for the first quarter of 1933 are returned at Frs.7,810 millions, against Frs.7,358 millions for the first quarter of 1932. Exports have fallen from Frs.5,295 millions to Frs.4,567 millions, so that the adverse visible trade balance has increased from Frs.2,063 millions for the first quarter of 1932 to Frs.3,242 millions for the first quarter of this year. During the month prior to Easter, the tendency of the Paris Bourse became more favourable. Gold mining shares were again active, and showed important gains. Rentes recovered part of their previous losses, and new issues such as Algerie, Outillage National and Ville de Paris improved in sympathy. Raw material prices are firmer with the exception of rubber.

Bordeaux.—Business in the wine trade remains quiet. The 1929 vintage is now exhausted, and there is some demand for the 1931 vintage, which shows some quality. The resin market is weak. Stocks are scarce, but this year's production should begin to be available by the end of April.

Le Havre.—The licence regulations which are in force pending the passage of the budget have continued to disturb the coffee market. A temporary decree has been passed, raising the import duty by Frs.100 per 100 kilogrammes. Export regulations in Brazil are also having a disturbing effect, with the result that the disparity between spot prices and those for near months is widening. This is causing loss to merchants who had based sales for monthly deliveries upon the official futures quotations. Cotton prices were well maintained during early April, but even then the uncertain financial outlook in the United States was having a depressing effect. Demand from spinners was also restricted, so that business was very limited.

Lille.—The textile trades have been very dull. Russian and French flax prices show no change, but Belgian water-retted flax was firmer. Prospects of the termination of the strike among Armentières weavers have led to a revival in the demand for yarn, and also to some improvement in the cotton and linen cloth market. Dealings in raw cotton and cotton yarn, however, were still limited to immediate requirements, and there was very little movement in hemp or jute.

Marseilles.—The German Government decree of March 24th, regulating the importation of oil seeds and fats

with the object of assisting German agriculture and increasing the home consumption of butter, is having a serious effect upon the world's oil seed and fat markets, of which Germany is an important customer. Oil crushers have been obliged by these regulations to reduce their output for the next three months to 50 per cent. of their production of the concluding quarter of last year, while margarine production has been similarly reduced to 60 per cent. It is feared that now that German purchases have been thus contracted, it will be difficult to find buyers for the present surplus stocks. Sellers of ground nuts in shell have lately been withholding supplies in the hope that the French Government will accede to the request of the Governor of Senegal to grant some measure of protection to French colonial ground-nuts. There have lately been fairly heavy arrivals of copra, particularly from the Pacific. Imports for March were 20,000 tons, against a normal figure of 12,000 tons. Prices have been depressed by these arrivals and also by the German decree referred to above. The olive oil market remained quiet and prices were slightly lower.

Roubaix.—Business generally has not been very active, but there has been an encouraging turnover in tops at firm prices. Some combers have been working at 75 and 80 per cent. of capacity, but the average rate of production has been less satisfactory, and it is feared that work will almost certainly fall away in the near future. The Combers Syndicate has renewed the Cartel arrangements until the end of the year, but this does not preclude a reduction in combing charges. Spinners have lately been well employed, and in some cases two shifts of 48 hours have been worked, but as with combers the outlook is not promising, as new business has fallen away. Weavers of dress goods and men's suitings are now very short of orders, and in some cases only 36 hours a week are being worked. The carpet and upholstery fabric trades are also bad, and some mills are only working 24 hours a week.

Belgium

From Lloyds & National Provincial Foreign Bank Limited

Antwerp.—Business has been very quiet until recently, and prices have had a downward trend. Some markets, however, have lately become firmer, and there have been appreciable advances in grain, cotton and sugar prices. The diamond industry is very depressed.

Brussels.—The coal trade has steadily deteriorated in both the house coal and industrial fuel sections, and stocks are rapidly accumulating. Iron and steel prices are irregular, but the tendency is slightly better in view of the negotiations on foot for the reconstitution of the International Steel Cartel. Pending its formation, producers are reluctant to quote as they hope for better prices when once the Cartel is operating. The seasonal demand for artificial Portland Cement is maintained, but export trade is no better.

Germany

While the March trade returns record an improvement in the favourable trade balance to Rm.64 millions, against Rm.23 millions in January and Rm.27 millions in February, they compare very badly with the favourable trade balances of Rm.163 millions for March, 1932, and Rm.283 millions for March, 1931. This shrinkage in Germany's trade balance obviously reduces her power to discharge her outstanding foreign commercial commitments. At the end of March the Reichsbank decided to repay in gold the $70 millions (Rm.294 millions) still due on the rediscount credit granted by certain foreign central banks in the crisis of the summer of 1931. The repayment of this sum has reduced the Reichsbank's gold stocks to Rm.421 millions, but on the whole the position of Germany has been strengthened, for the Reichsbank has got rid of an expensive external liability, while the gold paid out had always in effect to be regarded not as free gold but as an off-set to the foreign rediscount credit. Recent production statistics show little change on balance. Coal production fell from 244,700 tons for the week ended March 11th to 221,500 tons for the week ended April 8th, but the March output of pig-iron averaged 13,747 tons a day, compared with 12,139 tons in February and only 10,129 tons in March, 1932. Car-loadings have also improved from 95,600 for the week ended March 11th to 102,900 for the week ended April 15th.

Holland

With the object of mitigating unemployment and improving the communications of the country, four large river bridges are to be built. The work is to be executed by a limited company, but the State is taking up part of the shares and is also advancing

funds. The cost of building and maintenance will be met out of tolls levied on the users, and it is intended that the scheme shall be productive and self-supporting. The work will take five years, and will be of great assistance to the steel and engineering industries. The cost will be reduced by the fact that the savings in unemployment relief due to the scheme can be deducted from the total wages bill. The Government are also taking steps to co-ordinate the various forms of assistance, such as guarantees, subsidies and loans, which have so far been given in somewhat haphazard fashion to agriculture, horticulture and stock-raising. A central fund is to be set up for this purpose. The industrial situation remains reasonably satisfactory, and while recent company reports reveal a decline in profits, they also show that most businesses are in a fundamentally sound condition. All previous anxiety as to the stability of the guilder had disappeared by Easter, and no gold exports took place during the preceding few weeks. Some gold shipments, however, have since taken place. Money remained very easy, and security prices were steady.

Norway

During March the Government obtained Parliamentary authority to fund the floating debt of about Kr.80 millions, and as a result a 4½ per cent. loan of that amount has been taken up privately by a group of banks and insurance companies. The terms are undisclosed, but the Minister of Finance has stated that they were the most favourable terms on which any loan has been placed during the past ten years. The Antarctic whaling season has nearly reached its end. The total production of whale oil is estimated at about 2·5 million barrels, valued at Kr.105 millions. Norwegian whaling companies' share of the catch is estimated at about Kr.53 millions. March witnessed a further increase from 1,179,000 to 1,226,000 tons d.w. in the volume of laid-up shipping.

Sweden

Unemployment has diminished slightly during the past few weeks, but remains very high. There has been a further increase to 458,000 tons in the total of laid-up shipping, and this figure represents 20 per cent. of Sweden's mercantile fleet. Foreign trade is improving. The import surplus for last

March was on Kr.29·6 millions, against Kr.37·5 millions in March, 1932. Imports for last March were Kr.90·2 millions and exports Kr.60·6 millions. The timber trade has improved, and prices are firm. Sales to the middle of April amounted to 300,000 standards, against 175,000 standards for the comparable period last year. Mediterranean importers have been the most active buyers, but good business has also been done with Belgium and Germany. The American demand for wood pulp is no better, but other markets have improved. Sulphite pulp prices are firmer. The paper market is also more active, and orders for newsprint have increased in size. A considerable proportion of the Northern Countries' production for the year has already been sold.

Denmark

The Trade Agreement between Denmark and Great Britain has now been signed. Butter and egg prices remain very low, owing to the depressed state of Continental markets, the new German customs duties on eggs, and the increased supplies of Empire butter now reaching the British market. Bacon prices are appreciably higher. The new British regulations have had the effect of reducing bacon exports from 103,412 tons for the first quarter of 1932 to 81,583 tons for the first quarter of 1933, but the rise in prices has compensated for this loss. The balance of payments for 1932 shows a surplus of about Kr.70 millions, which very nearly equals the net reduction of Kr.72 millions in Denmark's external commercial indebtedness during the year. Foreign holdings of Danish State and municipal bonds increased in value during the year—partly as a result of the depreciation of the krone—so that Denmark's total net foreign indebtedness rose from Kr.1,451 to Kr.1,484 millions.

Switzerland

From Lloyds & National Provincial Foreign Bank Limited

Contrary to the normal seasonal trend of trade, imports for March show an increase of Frs.20·9 millions over February, while exports show a slight decline of Frs.1·0 million. Unemployment is a little better, but general industrial conditions are unchanged. The bond market remains firm, and there is no change on the money market or in the gold position.

The outcome of the impending political and economic conferences is awaited with great interest and some anxiety.

Spain

It is expected that the issue of 300 million pesetas 5 per cent. Treasury Bonds—a part of the 500 millions authorized in this year's budget—will be largely absorbed by the Banks and Savings Institutions and that the operation will be followed by a reduction in the discount rate. Record crops of wheat, barley and oats were harvested in 1932. This was not due to an increase in acreage sown but to favourable climatic conditions and to the improvement in technical knowledge. The increasing cultivation of maize is regarded as satisfactory in view of the heavy imports of this cereal for livestock. New inventions and the loss of markets—notably the French and American—through tariff restrictions have produced a serious situation in the cork industry. Spain produces about one-quarter of the world's supply of this product. At a recent conference of the lead-mining industry it was decided to seek a Government loan of 4 million pesetas to avoid closing certain mines. Spain is a large exporter of lead, but costs of production are relatively high. To assist the Foreign Exchange Control Board all reimbursement credits in favour of foreign beneficiaries must, in future, be authorized by the Board.

Morocco

From the Bank of British West Africa Limited

Business conditions during the past month have remained depressed and quiet even for this the stagnant season of the year. Very good rains have fallen in all parts of the country, and excellent crops are confidently expected. It is thought that the wheat surplus will exceed a million quintals and that crops may reach the very high level of 1928, but it is too early to be sure of this as the Sirocco may upset calculations at the last moment. Money is scarce with the natives and trade is quiet. Building in Casablanca is active, but permits have fallen to 5 millions of francs a month. The Thirteenth Commercial Fair at Marrakech began on April 8th. The improved business outlook at Saffi, with phosphate shipments in view, is reviving interest in the town ; a new hotel is to be opened end of April, and meanwhile the railway and the quays are rapidly approaching

completion. Agadir and Mogador, which are usually almost rainless, have recently had heavy rains, as also has Marrakech. The anti-dumping tax has not yet been put into operation.

The United States

The report from New York, dated April 8th, alludes to the gradual reopening of the banks after the March banking holiday. By April 8th two-thirds of the American banks were operating without any restriction. Some indication of the strain put upon banks who are members of the New York Clearing House is shown by the fall in their combined deposits from $7,237 millions for the week ended January 21st to $5,629 millions for the first week after the banking holiday. The statement issued on April 8th showed a recovery to $6,008 millions. Since the holiday, the Reserve Banks have both recovered gold and have been able to reduce their note circulation, so that their reserve ratio improved from 45·6 to 59·7 per cent. Money rates eased, and on April 6th the New York Reserves Bank reduced its rate from 3½ to 3 per cent. The decision of the Administration to legalize the sale of beer should assist the grain markets and also the steel, lumber, and bottle-making industries. The economy measures adopted by the Administration are also welcome. Commodity prices became firmer during early April, and, while this was in part due to rumours of inflation, there were signs of some improvement in business. Car-loadings had begun to recover, and some reduction in sugar stocks took place during the first quarter of the year. On the other hand, non-ferrous metal markets are weighed down by heavy stocks, and it is an open question whether copper refineries ought not to be closed down for six months. Rubber was a little firmer, but the absence of banking facilities in Akron, Ohio, which is the centre of the industry, is proving a serious matter. Steel production declined sharply from 20·41 per cent. of capacity in February to 15·08 per cent. of capacity in March, and the output of pig-iron also fell, seven blast furnaces out of 45 being closed down during March. Cotton prices remained steady, but there seems to be little prospect of any reduction in acreage. Prices of alternative crops are relatively lower, so that cotton is still regarded as the main cash crop for the South, and it is said that loans to tenant farmers are being made contingent upon a large acreage being planted with cotton.

Our New York correspondent sends the following cable, dated April 26th, or a week after the American suspension of the gold standard :—

Although popularly acclaimed, the re-imposition of the gold embargo and the proposed legislation to permit of the issue of fiat money were probably political expedients designed to prevent Congress from passing mandatory inflationary laws. The present indications are that the President will be granted the authority he requests, but more sober opinion is inclined to view the outlook with some misgivings. Speculative operations have raised the prices of stock exchange equities and primary commodities to levels approximately 25 per cent. higher than those ruling at the beginning of March, but prices of high-grade bonds are not much altered. Steel production has now risen to about 25 per cent. of capacity. The grain position is more hopeful, as there is a prospect of a short crop and as the Farm Board have now disposed of their wheat holdings. Cotton exports are increasing, and although 800,000 bales below the corresponding 1932 figure, are 600,000 bales above that of 1931.

Japan

March imports are returned at Y.185 millions, against Y.181 millions in February and Y.127 millions in March last year. March exports were Y.144 millions, against Y.118 millions in February and Y.96 millions in March last year. The excess of imports for the first quarter of 1933 is Y.169 millions, against Y.159 millions in the first quarter of 1932. Since last year, exports of cotton textiles, rayon, silk piece-goods, wheat flour, hosiery, china and porcelain and toys show increases, but there were declines in exports of raw silk and cotton yarn. There was also some contraction in imports of raw cotton. Money rates are easier, and the new issue market is active. Y.200 millions of Treasury bonds were repaid on maturity on March 31st, and Y.315 millions of new 4½ per cent. Exchequer Bonds have been accepted by the Bank of Japan. The South Manchurian Railway is floating Y.30 millions of 5 per cent. 7-year debentures at a price of Y.97·5. Cotton spinning mill shares are heavy, as the result of the termination of the Indo-Japanese Commercial Treaty. Raw silk, however, rallied during early April on better reports from overseas markets.

Banking

1. BANK OF ENGLAND

Date.	Issue Department.		Banking Department.				
	Gold.	Notes in circulation.	Reserve and Proportion.		Bankers' Deposits.	Govt. Securities.	Discounts &Advances.
1932.	£ mn.	£ mn.	£ mn.	Per cent.	£ mn.	£ mn.	£ mn.
April 27 ...	*120·8*	*352·8*	*43·7*	*37·3*	*58·3*	*62·6*	*11·5*
1933.							
March 29 ...	171·8	367·1	80·6	54·0	92·8	57·7	11·8
April 5 ...	176·5	371·7	65·7	41·5	109·6	83·0	11·6
April 12 ...	178·5	376·4	63·0	44·4	88·7	68·9	11·6
April 19 ...	184·0	376·1	68·7	45·8	104·0	75·2	11·8
April 26 ...	185·9	371·9	74·9	50·3	100·9	68·5	11·6

2. TEN CLEARING BANKS

Date.	Deposits.	Acceptances.	Cash.*	Call Money.	Bills.	Investments.	Advances.
1932.	£ mn.	£ mn.	£ mn.	£ mn.	£ mn.	£ mn.	£ mn.
March	*1,676·4*	*98·7*	*217·4*	*112·5*	*216·8*	*281·9*	*902·1*
October	1,893·4	78·9	233·9	116·7	390·5	411·6	795·1
November	1,898·4	83·3	235·0	116·3	391·2	425·0	785·1
December	1,983·1	89·4	256·4	126·6	407·9	472·4	773·4
1933.							
January	1,982·8	91·3	255·5	113·8	431·2	472·4	764·4
February	1,956·7	96·0	250·2	111·8	385·5	497·5	765·6
March	1,925·1	95·8	247·1	108·7	348·1	510·2	766·2

* Includes balances with other banks and cheques in course of collection.

3. LLOYDS BANK, RATIO OF CURRENT ACCOUNT CREDIT BALANCES TO TOTAL DEPOSITS

Year.	Ratio.	Month.	Ratio.				
			1929.	1930.	1931.	1932.	1933.
			%	%	%	%	%
1902	58·2	January	46·8	45·1	45·9	46·5	46·3
1914	49·9	February	45·9	44·2	45·1	44·7	45·8
1919	60·7	March	45·2	44·5	45·3	44·7	45·8
1920	56·7	April	44·9	45·1	45·0	45·2	46·0
1921	50·7	May	44·1	44·0	44·8	45·3	
1926	48·6	June	44·5	44·4	45·4	45·4	
1927	47·4	July	45·4	44·7	45·7	46·0	
1928	46·4	August	45·3	44·4	45·7	45·7	
1929	45·2	September ...	45·3	44·7	45·0	45·2	
1930	44·7	October	45·6	44·8	45·3	45·2	
1931	45·4	November... ...	44·7	44·8	45·3	45·2	
1932	45·4	December ...	45·3	46·0	46·7	46·2	

Money, Exchanges and Public Finance

1. LONDON AND NEW YORK MONEY RATES

Date.	London.			New York.		
	Bank Rate.	3 Months' discount Rate.	Day-to-day Loans.	Re-discount Rate.	90 Days' eligible Bank acceptances.	Call Money.
1932.	Per cent.	Per cent.	Per cent.	Per cent.	Per cent.	Per cent.
April 27 ...	*3*	*2—2 1/16*	*1½—2*	*3*	*1*	*2½*
1933.						
March 29 ...	2	½	½—1	3½	2½	3
April 5 ...	2	11/16—¾	½—1	3½	1¾	2
April 12 ...	2	⅝	½	3	½*	1½*
April 19 ...	2	½—9/16	½—1	3	⅝	1
April 26 ...	2	½—9/16	½—1	3	⅝	1

* April 11th.

2. FOREIGN EXCHANGES

London on	Par.	1932.	1933.				
		April 27	Mar. 29	April 5	April 12	April 19	April 26
New York ...	$4·866	3·66½	3·41⅝	3·42⅛	3·41¾	3·61⅛	3·79⅝
Montreal ...	$4·866	4·11	4·13¼	4·13¼	4·10⅜	4·20	4·39⅝
Paris	Fr. 124·21	93 1/16	86 15/16	87	86 9/16	86 13/16	87 1/16
Berlin	Mk. 20·43	15·40	14·32½	14 15/32	14·36½	14 17/32	15·02½
Amsterdam ...	Fl. 12·11	9·03½	8·48	8·48	8·44	8·47½	8·56⅝
Brussels ...	Bel. 35	26·15	24·50½	24·54	24·42½	24·50½	24·64½
Milan	Li. 92·46	71¼	66 9/16	66⅞	66 9/16	66 13/16	66 3/16
Berne	Fr. 25·22½	18·85	17·71½	17·72	17·62½	17·72½	17·84½
Stockholm ...	Kr. 18·16	19·95	18·90	18 29/32	18 29/32	19	19 11/32
Madrid ...	Ptas. 25·22½	46 13/16	40 19/32	40 7/16	40 5/16	40 1/16	40 5/16
Vienna ...	Sch. 34·58½	32*	31*	32½*	33*	33*	33*
Prague ...	Kr. 164·25	123½	115	115½	114⅜	115¼	115⅜
Buenos Aires ...	47·62d.	36¾‡	41†	40⅞†	41¼†	40¾†	41†
Rio de Janeiro	5·89d.	4¼‡	5⅝†	5⅜†	5⅜†	5⅜†	5†
Valparaiso ...	Pes. 40	61·00*	56·40†	56·40†	56·30†	58·70†	63·00†
Bombay ...	18d.	17 31/32	18 1/16	18 1/16	18 1/16	18 1/16	18 1/32
Hong Kong ...	—d.	15⅜	16	15¾	15⅛	15⅞	16
Shanghai ...	—d.	20⅜	20⅜	20⅜	14⅛§	14¾	14¾

* Nominal. † Official rate. ‡ Rate in London. § Per dollar: previously, per tael.

3. PUBLIC REVENUE AND EXPENDITURE

Revenue.	To April 22 1933.	To April 23 1932.	Expenditure.	To April 22 1933.	To April 23 1932.
	£ mn.	£ mn.		£ mn.	£ mn.
Income Tax ...	9·9	11·1	Nat. Debt Service	20·5	26·0
Surtax	2·4	3·1	Northern Ireland Payments...	—	—
Estate Duties ...	4·1	5·1	Other Cons. Fund Services...	0·2	0·2
Stamps	0·4	0·2	Supply Services	22·7	24·6
Customs... ...	9·5	10·0	Ordinary Expenditure ...	43·4	50·8
Excise	7·7	8·8	Sinking Fund	0·2	1·6
Tax Revenue ...	34·5	38·7	Self-Balancing Expenditure ...	4·1	4·0
Non-Tax Revenue	3·3	3·3			
Ordinary Revenue	37·8	42·0			
Self-Balancing Revenue	4·1	4·0			

1. PRODUCTION

Date.	Coal.*	Pig-Iron.	Steel.
1932.	Tons mn.	Tons thou.	Tons thou.
March	*4·5*	*336*	*463*
October	4·1	276	439
November	4·3	268	474
December	4·3	284	430
1933.			
January	4·4	287	444
February	4·6	271	483
March	4·5	332	578

* Average weekly figures for month.

2. IMPORTS

Date.	Food.	Raw Materials.	Manufactured Goods.	Total.
1932.	£ mn.	£ mn.	£ mn.	£ mn.
March	*31·0*	*16·5*	*13·0*	*61·1*
October	35·1	11·9	13·5	60·8
November	34·4	13·7	13·2	61·6
December	32·1	15·6	12·7	60·6
1933.				
January	27·2	15·1	11·5	54·1
February	25·2	13·2	10·5	49·1
March	29·2	14·1	12·8	56·3

3. EXPORTS

Date.	Food.	Raw Materials.	Manufactured Goods.	Total.
1932.	£ mn.	£ mn.	£ mn.	£ mn.
March	*2·7*	*3·5*	*24·2*	*31·2*
October	2·9	3·9	22·7	30·4
November	3·2	4·1	22·5	31·1
December	2·8	3·9	23·6	32·4
1933.				
January	2·5	3·8	22·1	29·2
February	2·3	3·4	21·4	27·9
March	2·3	3·8	25·4	32·6

4. UNEMPLOYMENT

Date.	1927.	1928.	1929.	1930.	1931.	1932.	1933.
End of—	Per cent.	Per cent.	Per cent.	Per cent.	Per cent.	Per cent.	Per cent.
January ...	12·0	10·7	12·2	12·6	21·5	22·4	23·1
February ...	10·9	10·4	12·2	13·1	21·7	22·0	22·8
March	9·8	9·5	10·1	14·0	21·5	20·8	22·0
April	9·4	9·5	9·9	14·6	20·9	21·4	
May	8·7	9·8	9·9	15·3	20·8	22·1	
June	8·8	10·7	9·8	15·4	21·8	22·3	
July	9·2	11·6	9·9	16·7	22·6	22·9	
August	9·3	11·6	10·1	17·1	22·7	23·1	
September ...	9·3	11·4	10·0	17·6	23·2	22·9	
October ...	9·5	11·8	10·4	18·7	21·9	21·9	
November ...	9·9	12·1	11·0	19·1	21·4	22·2	
December ...	9·8	11·2	11·1	20·2	20·9	21·7	

Percentage of Insured Workers.

Prices

1. WHOLESALE PRICES (average for month)

Date.	Index Number (Sept. 16th, 1931=100).				
	U.K.	U.S.A.	France.	Italy.	Germany.
1932.					
March	*106·8*	*91·5*	*96·4*	*97·0*	*91·7*
October	104·0	88·6	89·1	93·0	86·7
November	103·7	87·4	88·3	92·2	86·2
December	102·3	84·8	88·1	91·3	84·9
1933.					
January	101·4	81·8	87·7	90·6	83·7
February	100·3	79·9	88·0	89·4	83·8
March...	99·3	81·3	87·3	87·7	83·7
March, 5th week	99·2	81·8	87·0	86·9	83·5
April, 1st week	98·7	81·5	87·0	86·2	83·2
April, 2nd week	99·2	82·4	86·6	86·2	84·0
April, 3rd week	99·3	82·8	87·5	86·2	83·4
April, 4th week	100·0	85·0	—	86·2	83·5

Sources: U.K., "Financial Times"; U.S.A., Irving Fisher; France, Statistique Generale; Italy, Italian Chamber of Commerce; Germany, Statistische Reichsamt.

2. RETAIL PRICES (end of month)

Date.	Food.	Rent (including rates).	Clothing.	Fuel and Light.	Other items included.	All items included.
1932.						
March	*26*	*54*	*90*	*75*	*75*	*44*
October	25	55	85–90	70–75	70	43
November ...	25	55	85–90	70–75	70	43
December ...	23	55	85	70–75	70–75	42
1933.						
January	22	55	85	70–75	70–75	41
February ...	19	55	85	70–75	70–75	39
March	15	55	85	70–75	70–75	37

The figures represent the percentage increase above July, 1914, which is equal to 100.

3. COMMODITY PRICES (average for month)

Date.	Wheat, No. 1 N. Manitoba.	Cotton American Middling.	Wool, 64's tops avge.	Pig-Iron, Cleveland No. 3.	Tin, Standard Cash.	Rubber, Plantation Sheet.
	per qr. s. d.	per lb. d.	per lb. d.	per ton. s. d.	per ton. £	per lb. d.
1932.						
March	*34 8*	*5·38*	*22*	*58 6*	*129$\frac{13}{16}$*	*2*
October	28 8	5·60	22$\frac{1}{8}$	58 6	151$\frac{5}{8}$	2$\frac{7}{16}$
November ...	28 0	5·48	22$\frac{1}{8}$	58 6	153$\frac{11}{16}$	2$\frac{9}{16}$
December ...	26 10$\frac{1}{2}$	5·15	22$\frac{1}{4}$	58 6	149$\frac{7}{8}$	2$\frac{7}{16}$
1933.						
January	27 0	5·21	23	59 6	145$\frac{13}{16}$	2$\frac{5}{16}$
February ...	25 9	4·97	22	62 6	148$\frac{3}{8}$	2$\frac{1}{16}$
March	26 9	4·99	21$\frac{3}{4}$	62 6	149$\frac{3}{16}$	2$\frac{1}{8}$